

# HONOLULU LIQUOR COMMISSION

QUARTERLY NEWSLETTER



## KNOW THE RULES!

**Five (5) licensed classes now have the option of allowing patrons to take home partially-consumed bottles of wine.**

In early August, the Commission approved a Petition for Declaratory Order on HRS 281-31(q) and issued a Findings of Fact, Conclusions of Law and Decision and Order that allows a bona fide restaurant, hotel, club, cabaret and brewpub liquor licensee the option to allow or disallow a patron to remove a partially-consumed bottle from the licensed establishment.

The Commission's Declaratory Order created a very narrowly defined exception and is premised on the requirements set forth by the State Legislature in Act 49, Session Laws of Hawaii 2002; Hawaii Revised Statutes 281-31(q). If a licensee fails to comply with the requirements, they could be cited by the Commission for violation of Rule 31-2 (a)(b) – Operating out of Classification or Category.

The requirements that must be satisfied in order to comply with the law and to avoid being cited by the Commission for a rule violation are as follows:

- You must have a **valid liquor license in any of the following classes** (Class 2 – Restaurant, Class 6 – Club, Class 11 – Cabaret, Class 12 – Hotel, Class 14 – BrewPub).
- The purchaser must be a patron who has purchased **for consumption with a meal**.
- The purchased wine bottle must be **recorked or resealed** in its original container.

The Commission also has developed a list of "Best Practices" that licensees can consider to assist in public safety and welfare and to protect your business, employees and patrons from civil or penal liability.

- Consult Legal Counsel and Insurance Agency – determine if the risk exposure is acceptable to you before implementing or exercising your option.
- Program/Guidelines – Develop a program or guidelines and train your staff and employees about responsible alcohol consumption and the requirements of the law and Commission rules.
- Consider the following pro-active steps for your program/guidelines:
  - Insure servers/staff are trained to detect intoxicated patrons.

- Document the purchase of the wine and meal together.
- Recork/reseal the wine bottle so the cork/seal can't easily be removed by the patron.
- Advise the patron of Hawaii's "Open Alcohol Container" laws while in a vehicle on a public highway or scenic lookout.

## HLC LIQUOR RULES AMENDMENTS COMING SOON

The HLC is undertaking a comprehensive revision of its Rules. Since the last Rules revision in 1998, state lawmakers have made many changes to Chapter 281 of the Hawaii Revised Statutes, which require corresponding changes to our Rules, and the creation of new Rules.

All proposed Rules additions, deletions and/or modifications will be subject to the public hearing process prior to submission to the Mayor and City Council for final approval and implementation. At the public hearing, any interested party will have the opportunity to comment on the proposed revisions, either by oral or written testimony. The Commission hopes to complete the public hearing process this fall.

In the interim, licensees and all interested parties are encouraged to submit suggestions for proposed Rules revisions to the Commission. To assist us with keeping track of your suggestions, please do so in writing by mail or hand-delivery, care of the Administrator to 711 Kapiolani Blvd., Suite 600, Honolulu, HI 96813, or by email at [liquor@co.honolulu.hi.us](mailto:liquor@co.honolulu.hi.us). We welcome and appreciate input from our licensees, and thank you in advance for your help with this important project.

## A CHANGE TO RECIPROCAL WINE PERMITS

*The reciprocity states are California, Colorado, Hawaii, Idaho, Illinois, Iowa, Minnesota, Missouri, New Mexico, Oregon, Washington, West Virginia, and Wisconsin.*

Thanks to the passage of HB 1465 during the 2003 legislative session, Hawaii consumers may now receive/purchase up to three cases of wine (increased from two) during a calendar year from a manufacturer operating in a state with a reciprocal wine privilege. In addition, consumers are no longer required to obtain reciprocal permits.

(OVER)

711 KAPIOLANI BOULEVARD, SUITE 600 • HONOLULU, HAWAII 96813-5249

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JEREMY HARRIS  
MAYOR

JOHN P. SPIERLING  
CHAIR

CLYDE J. EUGENIO  
CO-VICE CHAIR

CHU LAN SHUBERT-KWOCK  
CO-VICE CHAIR

DENNIS ENOMOTO  
COMMISSIONER

DANNY KIM  
COMMISSIONER

WALLACE W. WEATHERWAX  
ADMINISTRATOR

PHONE:  
(808) 523-4458

FAX:  
(808) 591-2700

WEBSITE:  
[www.co.honolulu.hi.us/liq/](http://www.co.honolulu.hi.us/liq/)

E-MAIL:  
[liquor@co.honolulu.hi.us](mailto:liquor@co.honolulu.hi.us)

Honolulu Liquor Commission  
711 Kapiolani Blvd., Ste. 600  
Honolulu, HI 96813-5249

## **ON-PREMISE DECOY OPERATION RETURNS THIS FALL**

The Cancer Research Center of Hawaii (CRCH) and the HLC will conduct under-age sting operations this fall as a follow-up to similar operations conducted in summer 2002. Examples of on-premise locations include restaurants, brewpubs, bars, and cabarets. In the 2002 study, nearly 70 percent of the study's establishments served alcohol to minors (69.5%).

The "Team PLUS" (Preventing Liquor Underage Sales) project involved sending a team of inspectors consisting of one or two Honolulu Liquor Commission investigators, a CRCH staff member, and a youth to randomly selected licensees where the youth attempted to purchase alcohol. Youths 18 to 20 years of age served as decoys and attempted to purchase alcohol at each location. After making a purchase attempt and exiting the establishment, the youth completed a data collection form. At sites where alcohol was sold, the liquor investigators then entered the establishment and issued a citation to the server and the licensee. If the youth were asked, they did reply honestly about their age and presented a valid identification if asked.

All on-premise licensees will be receiving a letter from Wallace Weatherwax, HLC administrator, detailing this fall's operation. When in doubt, ask for identification!

## **COPS IN SHOPS TO START FALL 2003**

A new program called Cops In Shops will be coming to Oahu this fall. The joint effort, created by the Century Council, entails on-duty HLC investigators posing as staff at various retail establishments to catch underage

individuals as they attempt to purchase alcohol. The program encourages all establishments to place signage throughout their location to deter underage purchases. Undercover cops or HLC investigators may be present in shops or adjacent parking areas. Look for more details soon.

## **PROPOSED HLC FEE INCREASE FOR FY2005**

As you may know, the Honolulu Liquor Commission is a semi-autonomous agency overseeing businesses that sell liquor in the City & County of Honolulu. A volunteer five-member commission heads the agency and its members are appointed by the mayor and confirmed by the City Council.

All operating funds for the Commission's fiscal year (July to June) are generated from license fees and fines from adjudications. Chapter 281 of the Hawaii Revised Statutes requires that license fees (and any proposed increases) bear a direct and proportionate relationship to the operational and administrative costs and expenses of the Commission in the performance of its regulatory function.

The last license fee increase occurred in FY1997. We have been fortunate that through efficient and economical use of resources, the Commission has been able to improve and expand services each and every year since 1997 without requiring additional license fee monies from licensees. Regrettably, budget projections indicate that the Commission will not be able to maintain and expand our current level of service without an increase in operating funds in FY2005.

## **PROVIDE VOTER LISTS**

Did you know that applicants for new licenses or for transfers of licenses are required to provide

the Commission with a list of registered voters within a 500 ft. radius from the establishment? In addition, applicants must provide the Commission with a list of who (from among the registered voters) received a notice, per the liquor laws and Commission rules?

## **MINOR EMPLOYEES**

Licensed establishments that employ minors (under 18 years of age) on their premises must obtain permission from the Liquor Commission prior to hiring that minor.

## **LICENSE REQUESTS**

Licensees or liquor license applicants should submit their license requests to the HLC Licensing Section at least three weeks prior to the event or required hearing. This includes requests such as:

- Temporarily extending an existing licensed premise
- Temporarily or permanently deleting a portion of the licensed premise
- Special License applications
- Catering applications
- Transient Vessel licenses
- Approval to employ a minor
- Outside Warehouse Permit

## **EMAIL IS HERE!**

Honolulu Liquor Commission Newsletters are now available via email as a pdf attachment. To subscribe, please send an email to: [liquor@co.honolulu.hi.us](mailto:liquor@co.honolulu.hi.us). You can also view and print out this newsletter online at: [www.co.honolulu.hi.us/liq/](http://www.co.honolulu.hi.us/liq/).

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For more information, contact the Honolulu Liquor Commission at (808) 523-4458, fax: (808) 591-2700, visit our website at [www.co.honolulu.hi.us/liq/](http://www.co.honolulu.hi.us/liq/), E-mail: [liquor@co.honolulu.hi.us](mailto:liquor@co.honolulu.hi.us), or stop by our offices at 711 Kapiolani Blvd., Suite 600, Honolulu, Hawaii 96813-5249. Hours of operation are from 7:45 a.m. to 4:30 p.m., Monday through Friday (registration and cashier closes at 4:15 p.m.)